

- Good afternoon Mr. Chair and Committee Members. Thank you for the opportunity to testify before you, today, on Special Session Senate Bill 3.
- Just over two years ago, on January 2nd, 2009 the State Department of Revenue released a report stating that Wisconsin's economy had officially entered into a recession, something nearly every Wisconsin resident had already felt in their own household budget.
- During this recession, personal income growth has slowed and state unemployment has risen dramatically. Quite simply, we have all witnessed the impact the recession has had on Wisconsin's economy as our state has lost more than 180,000 jobs since the recession began.
- As most of you may know I represent the 44th district in Rock County, and more specifically, Janesville. In 2008 the unemployment rate in Janesville was 6.1%. Today, the Unemployment rate in Janesville is nearly 10%. (9.6%) The 10% unemployment rate does not even begin to account for the thousands of residents that have left the area to search for new jobs and economic opportunities. Obviously, this double digit unemployment rate is largely in part due to The General Motors plant closing in Janesville and taking 2,600 jobs with it. My job as a supervisor and as a Union Worker at GM being one of them.
- The past election cycle was about one issue...fixing Wisconsin's economy and getting our citizens back to work. One way we can do that is by passing Special Session Assembly Bill 3, which implements a relocated business tax credit for businesses that moved to Wisconsin from another state. The credit would be equal to the amount that the

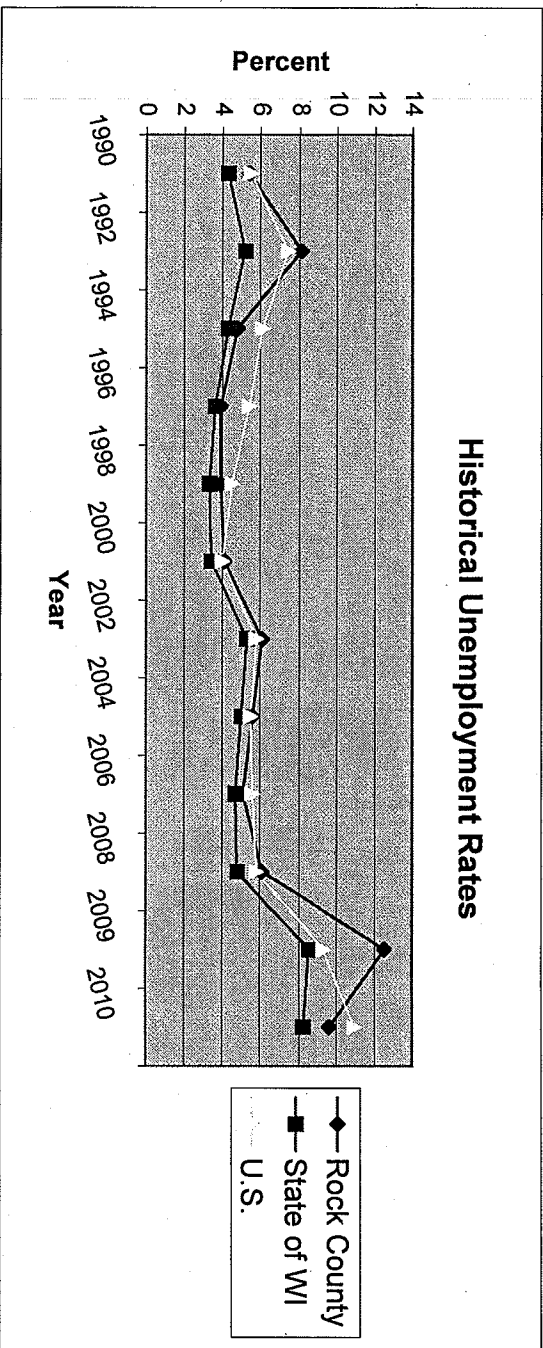
business's state individual income tax or corporate income tax, and it could be claimed for two consecutive years.

- With Wisconsin's Unemployment rate still at 7.6%, now is the time to give the Department of Commerce every possible tool to bring businesses and jobs to Wisconsin.
- This is an issue that I have a personal passion for. I am a witness to how a large company closing their doors can impact every aspect of the local economy. When GM closed in Janesville it impacted every business from; suppliers, to vendors, to restaurants, to gas stations, to every aspect of the service industry economy in my community.
- This is why it is so important to give the State and Local economy the tools it needs to develop a prosperous Wisconsin.
- This Bill is a practical solution to bring jobs back to my District and fulfilling Governor Walker's promise to bring jobs to Wisconsin. Assembly Bill 3 is actual proof that we in Madison are serious about bring jobs to Wisconsin and that WISCONSIN IS OPEN FOR BUSINESS.
- Throughout Janesville and Wisconsin, as a whole, we have the infrastructure and the skilled and trained workforce that employers desire...now is the time to offer the incentive to locate in our great state because while IL, IA, and MN are debating raising their taxes in 2011, Wisconsin will be offering a two year tax holiday, which will make Wisconsin an even more attractive state to move your business to.
- **Thank you for your time.**

Annual Unemployment Rates
1990-2010

Location	1990	1992	1994	1996	1998	2000	2002	2004	2006	2008	2009	2010
Rock Co.	5.4	8.1	4.8	3.9	3.9	4.1	6.1	5.6	5.1	6.1	12.5	9.6
WI	4.3	5.2	4.3	3.6	3.3	3.4	5.3	5.0	4.7	4.8	8.5	8.2
US	5.5	7.4	6.1	5.4	4.5	4.0	5.8	5.5	5.6	5.8	9.3	10.9

NOTE: Nov. 2010



Testimony of Secretary Paul Jadin
Senate Committee on Workforce Development, Small Business and Tourism
January 2011 Special Session Senate Bills 3, 4 & 7
January 12, 2011

Thank you Chairman Moulton and committee members. I appreciate the opportunity to speak to you today.

Your willingness to hold a prompt hearing on this legislation demonstrates your shared commitment with Governor Walker to address the need to implement aggressive job creation efforts on an expedited timeline.

As the appointed Secretary of the state agency responsible for fostering economic development and job creation, I am appearing today in support of Special Session Senate Bill 3, Senate Bill 4 and Senate Bill 7.

Senate Bill 3 creates a new tax credit that is designed to improve Wisconsin's competitive standing to businesses and industries looking at alternative sites for their company operations. This legislation would provide a relocation tax credit for up to two years upon commencing operations in Wisconsin from another state. The urgent need for jobs in our state demands aggressive strategies. While we will continue to nurture and support the expansion and start-up efforts of homegrown Wisconsin businesses, we should not ignore opportunities to attract out-of-state businesses looking for the types of incentives presented in SB 3.

Senate Bill 4 increases the allowable allocation in the economic development tax credit program by \$25 million for a total of \$100 million. The types of activities eligible for this credit include many that meet the very purpose of this special session – namely job creation, capital investment and workforce training.

Lastly, the tax credit provided in Senate Bill 7 is targeted at the smallest of businesses, those with gross receipts under \$500,000. As a first step in the Administration's efforts to reduce the tax burden for families and businesses of all sizes, the goal of this initiative is to allow these operations to survive in these difficult times, while we continue our efforts to provide an economic climate in which they can prosper and expand.

Both the Walker Administration and the Legislature, and members of both parties, have stressed that our most pressing policy-making focus must be on job creation. In the series of bills that comprise the special session package, the legislation before you today are key initiatives that will spur job growth in the near term. As the state and nation look to a long-term economic recovery, we need to position Wisconsin to take maximum advantage of those opportunities to improve the climate for job growth.

Again, thank you for your consideration. I look forward to your continued progress on these bills, and will be glad to respond to any comments or questions at this time.